

MINUTES of the 40th meeting of the Board of Directors of the Toronto Waterfront Revitalization Corporation held at the Radisson Admiral - Toronto Harbourfront, 249 Queen's Quay West, Toronto, Ontario, on Wednesday, May 25, 2005, at 8:00 a.m., local time.

PRESENT: Robert Fung, Chairman
 Bill Charnetski
 Murray Chusid
 Tony Dionisio
 Vivien Dzau
 Kevin Garland
 Marilyn Knox
 Ross McGregor
 John Ronson
 Peter Smith
 Mark Wilson

In addition to the general public, the following persons were in attendance, unless otherwise noted, throughout the meeting or only for particular business items as noted in these minutes: John Campbell, President and Chief Executive Officer; Edward Dato, Chief Financial Officer; Kristin Jenkins, V.P. Public Affairs; Marisa Piattelli, V.P. Government Relations and Special Project Management; Victor Wong, V.P. Legal; Christopher Glaisek, V.P. Planning & Design; Allan Leibel, Goodmans LLP; Bruce Bodden and Karen Pitre, Toronto Waterfront Joint Venture; and David Matheson, McMillan Binch LLP.

The Chairman, Robert Fung, took the chair, and with the consent of the Directors, appointed Ann Marie Landry to act as secretary of the meeting.

The Chairman declared that a quorum of Directors was present and that notice of the meeting having been duly sent to all Directors in accordance with the Corporation's By-laws, the meeting was duly called and regularly constituted for the transaction of business.

1. Approval of Minutes

The minutes of the 39th meeting of the Board held on April 28, 2005 were tabled, and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the minutes of the 39th meeting of the Board held on April 28, 2005 be approved, subject to changes as noted in the meeting.

2. Chairman's Remarks

The Chairman advised the Board that the West Don Lands Precinct Plan was approved by City Council and congratulated management, staff and consultants on a job well done. He further advised that the test will be whether or not the Corporation is able to implement the Plan. He went on to say that he had recently been down to the Harbourfront and was very pleased to see the number of people using the boardwalk and piers on Queen's Quay. He encouraged the Board members to take the time to have a look at the area now that it is complete. He also complimented Management and the Directors on their efforts in respect of progress being made on a number of fronts.

Kristin Jenkins advised that the official opening of Harbourfront Centre piers and boardwalk is scheduled for June 26th and that all Board members will receive an invitation.

3. CEO's Report

John Campbell tabled reports and information on various matters, which included the following subjects and information and on which the following Board and Management comments were made:

- *West Don Lands* – The Precinct Plan was approved by City Council on May 19, 2005. The development application approval is being submitted to the City of Toronto, co-signed by both Ontario Realty Corporation (“ORC”) and the Corporation. The objection to the plan by FoodShare and their relocation issue was worked on by the Corporation, ORC and the City and an agreement was reached to relocate FoodShare at no cost to them. FoodShare's objection should now be removed. The Contribution Agreement for the design of the bridge and Toronto and Region Conservation Authority's (“TRCA”) costs has been signed but the funds are not yet available to allow the Corporation to proceed with the Don River Park Design Request for Qualifications (“RFQ”). The Province's MB20 document has been set aside due to funding discussions taking place. Unfortunately, this may also delay the clarification of roles and responsibilities until the fall which may negatively affect the developer proposal call. Developer interest looks positive as the Regent Park RFQ generated a number of positive responses. The Corporation continues to work with the Toronto Community Housing Corporation (“TCHC”) to provide for an early start to affordable housing in District 3. The Corporation will avoid delays due to market uncertainties with developers by working with TCHC as they have their own capital and can start as soon as sites are available.
- *Board and Management Comments on West Don Lands* - It was reported that at the recent City Councillor Briefing there was some question as to whether the City would use TCHC for housing on an ongoing basis and the Corporation advised Councillors that the partnership with TCHC was not exclusive. Management was cautioned to be sure to have the Ministry of Environment (“MOE”) on side to fast track the environmental approvals. Mr. Campbell advised that the Corporation has asked the provincial secretariat to get MOE to expedite risk assessment and demolition to get the EA approved. He also reported that the environmental assessment process has

been effectively moving forward in clusters and that there is now good co-operation with the Government of Canada and the Province of Ontario and a real sense that everyone wants to get things done. Ms Piattelli reported that a public meeting will be held in June to review remediation.

- *East Bayfront* - The width of Queen's Quay is still unresolved. The issue of where to place the railway spur has not yet been resolved and the Corporation is working on a potential solution which is to place the railway spur in the TTC right of way. This is technically possible but it raises a number of operating issues. Approval of the Precinct Plan is targeted for September or October and the Corporation is making every effort to keep this on track. The Toronto Economic Development Corporation ("TEDCO") has raised concerns and a number of objections to the plan and the Corporation is working to resolve these issues. The Corporation has come to an agreement with the developers on the north side of Queen's Quay on the precinct plan.
- *Board and Management Comments on East Bayfront* – Discussion ensued on the spur owned by TEDCO and on issues with Redpath and CN.
- *Port Lands Implementation Plan* - The Corporation is planning a public meeting in June to outline the recommended proposals and are currently addressing some City issues that have been raised.
- *Western Beaches Watercourse* - The environmental assessment is complete and ready for filing.
- *Marine Strategy* - Work on the marine strategy is underway and recommendations are expected in early July with a final report due in September. The water's edge cannot be completed until the marine strategy is complete.
- *World Expo 2015 and Portlands Energy Centre ("PEC")* – The Expo and PEC have prompted public commentary and inquiry as to the Corporation's position. In response to these inquiries, the Corporation has developed position papers on each issue in respect of Expo and PEC. Position papers were tabled.
- *Board and Management Comments on World Expo 2015 and PEC* - Discussion ensued. In response to queries from Board members, John Campbell agreed to provide them with a list of potential bidders for World Expo 2015 as well as the timelines for the Expo. He also undertook to report further on energy source issues for a Board position on such issues.

Mr. Campbell, in closing his report, expressed his appreciation and confidence in his staff in respect of their handling of matters during his recent absence.

4. Chief Financial Officer's Report, Approval of Audited Financial Statements for the Year Ended March 31, 2005, Appointment of Auditors, Audit and Finance Committee Mandate and Related 2005/06 Work Plan and Corporate Risk Management Plan

Edward Dato presented his financial report and tabled the audited year end financial statements, the budget-actual variance analysis for three months and year ended March 31, 2005 and reported on the contribution agreements and consultant costs. Mr. Dato responded to numerous inquiries from the Board, and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the audited financial statements for the year ended March 31, 2005 be approved.

John Ronson, Chairman of the Audit and Finance Committee ("the Committee"), advised that the Committee met with the external auditors who were highly complimentary of the Corporation's staff in preparation for the audit. He advised that the external auditors commented that staff were on top of questions as they arose and were very accessible. Mr. Ronson formally thanked the staff on behalf of the Committee for a job well done.

Mr. Ronson advised the Board that contributions of \$10 million or more from the Federal Government requires a Federal Government audit and as such, the Corporation underwent a federal audit, the results of which will be presented at the July Board meeting. He further advised that the federal auditors had a concern regarding corporate costs as there is no contribution agreement for corporate costs and that the Corporation does not want to allocate these costs to projects because of concern of control of overhead costs. Mr. Ronson advised that next year the Committee will request that the Corporation only undergo one government partner audit in the fiscal year and that the other two government partners accept those results.

Mr. Ronson advised the Board that it was necessary to ratify and approve Deloitte & Touche LLP as the Corporation's auditors for the fiscal year ended on March 31, 2005 and to consider their reappointment and that the Committee recommends their reappointment. Discussion ensued on the good performance of Deloitte & Touche LLP; and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the appointment of Deloitte & Touche LLP as the Corporation's external auditors for the year ended March 31, 2005, be ratified and approved, with total audit fees of \$47,100.00; and that they be reappointed as the Corporation's external auditors for the ensuing 2006 fiscal year, subject to the audit fees therefor being approved by the Board on the recommendation of the Audit and Finance Committee.

Mr. Ronson tabled an Audit and Finance Committee Mandate and a proposed Work Plan developed with Deloitte & Touche LLP; advising that the Committee considered both public and private corporations and their best practices to develop a work plan for the coming fiscal year. He advised that the Corporation must address the issue of splitting the Committee into two committees, one being an audit and finance committee and the other being a risk management committee. It was agreed that the issue of splitting the Audit and Finance Committee would be discussed at the next Board meeting. Discussion ensued, and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Audit and Finance Committee Mandate and proposed 2005/06 Work Plan be approved.

A Corporate Risk Management Plan was tabled and Mr. Ronson advised that the Corporation worked with Stantec Consulting and identified 26 risks which highlighted the top three inherent risks as well as the root cause of these risks. He advised that this Plan was a work-in-progress and that work was continuing to finalize the Plan. Discussion ensued, and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Corporate Risk Management Plan as a working document be approved.

5. District Energy Presentation

John Campbell gave a brief introduction to a presentation on District Energy, advising that the issue of District Energy is a financing and legal issue not a technical issue, which is why Edward Dato is heading up the initiative. Edward Dato then reported that a task force was created consisting of Mr. Dato, Robert Power of Blake Cassels and Graydon LLP and Bob Webb of Marshall Macklin Monaghan. Mr. Dato then provided the Board with a status report and action plan highlighting what District Energy is and its benefits, the relative building energy life cycle costs, challenges, time lines, coordination with developer proposal call, design concept, costing, funding options to be pursued and system marketing involved. He advised the Board of the benefits of District Energy in that it supports the Corporation's draft sustainability framework in terms of reduced consumption of energy, increased opportunity for connection to renewable energy, adoption of new technologies and it provides the opportunity for generation of electricity from green sources.

Mr. Dato advised the Board that continual updates will be provided as the project progresses.

6. Adjournment of the Meeting

There being no further business other than matters to be considered in-camera, the Chairman indicated that in-camera matters involving land assembly and advice from legal counsel were then to be considered. He indicated to members of the public present that it was now in order for them to depart from the meeting. Members of public then left the meeting. The meeting then continued as an in-camera meeting.

Chairman

Secretary of the Meeting